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STAT

14 July 1955

The Honorable Dennis Chavez
Chairman, Defense Appropriations Subcommittee
Senate Appropriations Committee
Washington 25, D. C.

Dear Mr. Chairman:

Pursuant to a request which we received from Mr. Hewitt of your staff, I am forwarding herewith a statement of "Justification for an Appropriation to Construct a Headquarters Installation for the Central Intelligence Agency as Provided for in Title IV of H.R. 6829." Our request for funds is included in Chapter III of H.R. 7278, the Supplemental Appropriations Bill presently before your Subcommittee.

Additional detailed information and justification will be presented at the Hearing scheduled for Friday, 15 July 1955, at 10:00 a.m.

With kindest regards

Sincerely yours,

/s/

Allen E. Dulles
Director

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Hand carried

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DD/S:LMW:laq

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CONCUR:

151
L. K. WHITE
Deputy Director
(Support)

410284

JUSTIFICATION FOR AN APPROPRIATION TO CONSTRUCT A
 HEADQUARTERS INSTALLATION FOR THE CENTRAL INTELLIGENCE AGENCY AS PROVIDED FOR
 IN TITLE IV OF H. R. 6829

Since the establishment of the Central Intelligence Agency in 1947, efforts have been made to locate the activities of the Agency in one building. Several studies have been made by the Public Buildings Service in coordination with the Bureau of the Budget and this Agency to ascertain if it were possible to locate all CIA activities in an existing permanent structure. It has been concluded that the only way to solve this problem is to construct an installation suitable to the needs of this Agency.

The estimated cost of the proposed installation by major items was as follows:

Building (2,300,000 square feet, at \$19.03 approximately)	\$43,760,000
Boiler plant	2,700,000
Tunnel, boiler plant to building	200,000
Roads, parking, site development, and exterior utility changes	1,200,000
Emergency generator	500,000
Special requirements	1,640,000
Total building cost:	<u>\$50,000,000</u>

According to our tentative plans, the building would consist of gross floor area of 2,300,000 square feet; basement, approximately 7 floors, reinforced concrete frame; air conditioning, fluorescent lighting; auditorium, shops, laboratory; and cafeteria. These estimates were prepared in consultation with the Public Buildings Service and the Bureau of the Budget. However, Title IV of H. R. 6829 authorized only \$46,000,000 for construction. We have not yet had an opportunity to analyze our requirements to determine where the reduction can be made.

At the present time the Agency is located in thirty-four different buildings. Twenty of these are of temporary construction, some of which were used as barracks to house "Waves" during World War II and were never intended to be used as office space. According to the proposed plans for the construction of the new bridge across the Potomac River, a number of our present buildings are scheduled to be removed which will leave the Agency without sufficient office space.

Being housed in thirty-four buildings located at varying distances from each other causes security problems, inefficient and uneconomical operations and transportation difficulties. The security aspect is appalling when one considers the number of highly classified documents which must be transported and circulated between such a large number of buildings. The intangibles involved in getting officials together for conferences, meetings, and consultations is hard to evaluate but is extremely serious and costly in terms of lost man hours and inefficiency. The transportation of people, material, and documents is also a matter of real concern.

The following chart indicates the estimated savings that can be accomplished on an annual basis by locating CIA headquarters operations in one building:

Item	Present costs	Estimated costs in 1 new building	Estimated savings in 1 new building
Guard service	\$1,173,000	\$320,000	\$853,000
Reception staff	110,000	30,000	80,000
Shuttle service	36,800	-	36,800
Couriers and messengers	213,200	143,300	69,900
Telephone mileage charges	32,800	-	32,800
Building services officers	125,000	75,000	50,000
Rents	133,500	-	133,500
Alterations and moving	1,332,000	300,000	1,032,000
Loss of time	607,000	-	607,000
TWX service	45,000	20,000	25,000
	<u>3,808,300</u>	<u>888,300</u>	<u>2,920,000</u>

Based on the above estimated savings the capital cost of the proposed installation would be recovered by the Government over a period of approximately twenty years.

The Government-owned land at the site of the Research Station of the Bureau of Public Roads at Langley, Fairfax County, Virginia, is believed best suited for the proposed installation. In connection with this site there is a problem of access roads. However, the State of Virginia has agreed to improve the present road system if the Federal Government appropriates funds for the extension of the George Washington Memorial Highway as authorized in H. R. 6829. This would solve the access roads problem.

Since the Congress had not finally acted on the Military Construction Act, Title IV of which authorized the extension of the George Washington Memorial Parkway, at the time we appeared before the House Appropriations Committee, a final site selection could not be made. For this reason, as well as the fact that detail plans and specifications had not been developed, the House Committee felt that they should allow only \$3,000,000 for the preparation of these plans and specifications.

Since it has now been determined that the Langley site would be most suitable for our needs, it becomes necessary to insure that the extension of the George Washington Memorial Parkway will be completed not later than our own installation. Of the total estimated cost of \$8.5 million for this purpose, \$4,000,000 is essential for acquisition of right-of-way and construction during the first year. These funds should be made available now. Otherwise we cannot be completely sure that we can use the Langley site.

While it is not impossible to modify detail plans and specifications for one site so as to make them adaptable to another, certainly the site is an extremely important factor in such planning and to adapt them to another site seems wasteful of the taxpayers' money.

It is, therefore, respectfully requested that the amount approved by the House Appropriations Committee of \$3,000,000 be increased to \$7,000,000 to provide for, in addition to the development of detail plans and specifications, the acquisition of land and the starting of construction of the extension of the George Washington Memorial Parkway.

Although the House Committee recommended that \$3,000,000 be appropriated from prior-year, unobligated balances, it is understood that they would prefer a direct appropriation for other funds in connection with this project. Accordingly, it is recommended that \$7,000,000 be made available by a direct appropriation. The Bureau of the Budget concurs in this change in the Agency's original request.

Further information and justification will be presented at the Hearing to be held on Friday, 15 July 1955.